

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

*In the Matter of:*

Peach Orchard Post Office  
Peach Orchard, Arkansas

Docket No. A2011-22

UNITED STATES POSTAL SERVICE  
COMMENTS REGARDING APPEAL  
(September 7, 2011)

On July 14, 2011, the Postal Regulatory Commission (Commission) received a petition for review postmarked July 7, 2011, from postal customer and retired postmaster, Marietta Austin (Petitioner), objecting to the discontinuance of the Post Office at Peach Orchard, Arkansas. Mrs. Austin's petition was signed by fifty individuals. On July 19, 2011, the Commission issued Order No. 763, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 763, the administrative record was filed with the Commission on July 29, 2011 and was supplanted with an amended version filed on August 25, 2011. Outside of the initial petition for review, the Commission received no additional written communications from other customers of the Peach Orchard Post Office. On August 2, 2011, the Petitioner filed a Form 61 in support of the petition. The Public Representative filed a reply brief on August 30, 2011. The following is the Postal Service's answering brief in support of its decision to discontinue the Peach Orchard Post Office.

The appeal received by the Commission on July 14, 2011, raises three main issues: (1) the effect on postal services, (2) the impact upon the Peach Orchard

community, and (3) the calculation of economic savings expected to result from discontinuing the Peach Orchard Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. Additionally, consistent with the Postal Service's statutory obligations and Commission precedent,<sup>1</sup> the Postal Service gave consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Peach Orchard Post Office should be affirmed.

### **Background**

The Final Determination to Close the Peach Orchard, AR Post Office and Establish Service by Rural Route Service (FD), as well as the administrative record, indicate that the Peach Orchard Post Office provides EAS-11 level service to 70 Post Office Box customers, 59 delivery customers, and retail customers 42 hours per week. Item No. 41, Proposal, at 2; Item No. 42, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1.<sup>2</sup> The postmaster of the Peach Orchard Post Office was promoted on July 3, 2010. A noncareer employee from a neighboring office was installed as the temporary officer-in-charge (OIC). Upon implementation of the Final Determination, the noncareer OIC may be separated from the Postal Service.<sup>3</sup> The average number of daily retail window transactions at the Peach Orchard Post Office is 15. Revenue has generally been low: \$8,865.00 in FY 2008 (23 revenue units); \$8,133.00 in FY 2009 (21 revenue units); and \$8,534.00 in FY

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<sup>1</sup> See 39 U.S.C. 404(d)(2)(A).

<sup>2</sup> In these comments, specific items in the administrative record are referred to as "Item \_\_\_\_."

<sup>3</sup> FD, at 2.

2010 (22 revenue units).<sup>4</sup> The Peach Orchard Post Office has no meter or permit customers. FD at 2; Item No. 18, Fact Sheet, at 1; Item No. 41, Proposal, at 2.

Upon implementation of the Final Determination, delivery and retail services will be provided by rural route delivery administered by the Knobel Post Office, an EAS-11 level office located three miles away, which has 218 available Post Office Boxes. FD at 1; Item No. 18, Fact Sheet, at 1. This service will continue upon implementation of the FD. FD at 1.

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Peach Orchard Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the Peach Orchard Post Office. Questionnaires were also available over the counter for retail customers at Peach Orchard. FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Peach Orchard Post Office, at 1. A letter from the Manager of Consumer Affairs & Claims, Little Rock, AR was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Peach Orchard Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Knobel Post Office. The letter invited customers to complete and return a customer

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<sup>4</sup> FD, at 2; Item No. 18, Fact Sheet, at 1-2; Item No. 41, Proposal, at 2.

questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery. Item No. 21, Letter to Customer, at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22. Also, representatives from the Postal Service were available at the Peach Orchard Post Office for a community meeting on March 30, 2011, to answer questions and provide information to customers. FD at 1; Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis; Item No. 41, Proposal, at 2. Customers received formal notice of the Proposal and FD through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Peach Orchard Post Office and the Knobel Post Office from April 8, 2011 to June 9, 2011. FD, at 1; Item No. 41, Proposal, at 1 and 5. The FD was posted at the same two Post Offices starting on June 30, 2011, as confirmed by the round-dated FD cover sheets that appear in the administrative record.

In light of the postmaster vacancy, a minimal workload, low office revenue,<sup>5</sup> the variety of delivery and retail options (including the convenience of rural delivery and retail service),<sup>6</sup> very little recent growth in the area,<sup>7</sup> minimal impact upon the community, and the expected financial savings,<sup>8</sup> the Postal Service issued the FD.<sup>9</sup> Regular and effective postal services will continue to be provided to the Peach Orchard

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<sup>5</sup> See note 5 and accompanying text,

<sup>6</sup> FD, at 2-5; Item No. 41, Proposal, at 2-5.

<sup>7</sup> FD, at 2; Item No. 16, Community Survey Sheet; Item No. 41, Proposal, at 2.

<sup>8</sup> FD, at 5; Item No. 17, Cost Analysis; Item No. 18, Fact Sheet, at 1; Item No. 29, Proposal Checklist; Item No. 41, Proposal, at 5.

<sup>9</sup> FD, at 2-5.

community in a cost-effective manner upon implementation of the Final Determination. FD at 2.

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

### **Effect on Postal Services**

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Peach Orchard Post Office on postal services provided to Peach Orchard customers. The closing is premised upon providing regular and effective postal services to Peach Orchard customers.

The Petitioner, in her letter of appeal, raises the issue of whether the Postal Service can continue to provide a maximum degree of effective and regular postal services to the Peach Orchard community, noting the convenience of the Peach Orchard Post Office and requesting its retention. The Petitioner expresses particular concern about access for senior citizens and the reliability of service provided by noncareer employees. Each of these concerns was considered by the Postal Service.

The effect of the closing of the Peach Orchard Post Office on the availability of postal services to Peach Orchard residents was considered extensively by the Postal Service. FD at 2-3; Item No. 41, Proposal, at 2-3. Upon the implementation of the Final Determination, services provided at the post office, such as the sale of stamps, envelopes, postal cards, and money orders, will also be available from the carrier to a roadside mailbox located close to customers' residences. FD at 2-3; Item No. 41,

Proposal, at 2-3; Item No. 21, Notice to Customers, at 2. Customers opting for carrier service will not have to pay post office box fees. FD at 4; Item No. 41, Proposal at 4. Carrier service also is beneficial to many senior citizens and those who face special challenges because they do not have to travel to the Post Office for service. FD at 2-3. In hardship cases, delivery can be made to the home of a customer. FD at 3.

Petitioner raised the issue of mail security. This concern was addressed in the record. However, there have been no reports of vandalism. FD at 3; Item No. 41, Proposal, at 3. Further, Cluster Box Units (CBU) can offer the security of individually locked mail compartments. Parcel lockers provide convenient parcel delivery for customers. FD at 3; Item No. 41, Proposal, at 3.

In addition to carrier service, customers may opt for Post Office Box service at the nearby Knobel Post Office. There are 218 Post Office Boxes available. FD at 2; Item No. 41, Proposal, at 2. Customers will pay the same fees for Post Office Box rentals at the Knobel Post Office than at the Peach Orchard Post Office. Item No. 15, Post Office Survey Sheet, at 2. The Knobel Post Office also provides nonpostal services, such as the distribution of government forms. Item No. 41, Proposal, at 4.

The Postal Service has considered the impact of closing the Peach Orchard Post Office upon the provision of postal services to Peach Orchard customers. A highway contract or rural delivery carrier can provide similar access to retail service, alleviating the need to travel to the Post Office. FD at 3 and 5; Item No. 23, Postal Customer Questionnaire Analysis, at 2; Item No. 25, Community Meeting Analysis, at 1; Item No. 41, Proposal, at 3 and 5. PO Box service will still be available at the Knobel Post Office,

three miles away. FD at 2; Item No. 41, Proposal, at 2. Thus, the Postal Service has properly concluded that all Peach Orchard customers will continue to receive regular and effective service.

### **Effect Upon the Peach Orchard Community**

The Postal Service is obligated to consider the effect of its decision to close the Peach Orchard Post Office upon the Peach Orchard community. 39 U.S.C.

§ 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Peach Orchard is an unincorporated community located in Clay County. The community is administered politically by a city council and a constable. Police protection is provided by the Clay County Sheriff Department, Town Constable and fire protection is provided by the Peach Orchard Volunteer Fire Department. The community is comprised of retired people, farmers/ranchers, and those who commute to work at nearby communities and work in local businesses. FD, at 4; Item No. 41, Proposal at 4. The questionnaires completed by Peach Orchard customers indicate that, in general, the retirees, farmers, commuters, and others who reside in Peach Orchard must travel elsewhere for other supplies and services. See generally FD at 2; Item No. 22, Returned customer questionnaires and Postal Service response letters 1-74. Specifically, there is no grocery store in Peach Orchard, residents drive to Corning (24 miles), Pocahontas (27 miles) or Paragould (30 miles) for shopping needs. Children

attend schools in Corning, Pocahontas, Hoxie or Paragould. FD, at 2; Item No. 41, Proposal at 2.

The Petitioner's letter of appeal raises the issue of the effect of the closing of the Peach Orchard Post Office upon the Peach Orchard community. This issue also was considered by the Postal Service, as reflected in the administrative record. FD, at 2; Item No. 41, Proposal, at 2. The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. FD, at 2; Item No. 41, Proposal, at 2. Communities generally require regular and effective postal services and these will continue to be provided to the Peach Orchard community. The Postal Service is helping to preserve community identity by continuing the use of the Peach Orchard Post Office name and ZIP Code in addresses and in the National Five-Digit ZIP Code and Post Office Directory. FD, at 2; Item No. 41, Proposal, at 2.

In addition, the Postal Service has concluded that nonpostal services provided by the Peach Orchard Post Office can be provided by the Knobel Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 4; Item No. 41, Proposal, at 4.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Peach Orchard Post Office on the community served by the Peach Orchard Post Office.

### **Effect on Employees**

As documented in the record, the impact on postal employees is minimal. The postmaster was promoted on July 3, 2010. The Peach Orchard Post Office did have a



noncareer postmaster relief (PMR). However, upon implementation of the Final Determination, the PMR may be separated from the Postal Service. The record shows that no other employee would be adversely affected by this closing. FD, at 2 and 5; Item No. 15, Post Office Survey Sheet, at 1. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Peach Orchard Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

### **Economic Savings**

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Peach Orchard Post Office and would still provide regular and effective service. Item No. 21, Letter to Customer, at 1. The estimated annual savings associated with discontinuing the Peach Orchard Post Office are \$47,396.00. FD at 5; Item No. 41, Proposal, at 5.

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD, at 5; Item No. 41, Proposal, at 5.

The Postal Service determined that carrier service is more cost-effective than maintaining the Peach Orchard postal facility and postmaster position. FD, at 5. The Postal Service's estimates are supported by record evidence, in accordance with

the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

### **Conclusion**

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Peach Orchard Post Office on the provision of postal services and on the Peach Orchard community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Peach Orchard customers. FD, at 5. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). Consistent with the Public Representative, the Postal Service's decision to close the Peach Orchard Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Peach Orchard Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno  
Chief Counsel, Global Business

Brandy A. Osimokun  
Attorney

475 L'Enfant Plaza, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2982; Fax -6187  
Brandy.A.Osimokun@usps.gov  
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